



# **Enterprise and Other Funds**



---

# Water and Sewer Authority

FY 2002 Proposed Operating Budget:	\$244,978,000
FY 2002 Proposed Capital Budget:	\$152,114,000

---

The Water and Sewer Authority delivers reliable potable water and wastewater collection services to the residents of the District of Columbia, and wastewater treatment services that are essential for public health and safety for the District. Limited services are also provided for portions of Prince George's and Montgomery Counties in Maryland and Fairfax and Loudoun Counties in Virginia.

**The FY 2002 proposed operating budget is \$244,978,000, an increase of \$14,364,000, or 6.2 percent, over the FY 2001 approved budget of \$230,614,000.**

## Budget Summary

The FY 2002 proposed operating budget for all funding sources for the Water and Sewer Authority (WASA) is \$244,978,000, an increase of \$14,364,000, or 6.2 percent, over the FY 2001 approved budget of \$230,614,000 due primarily to increased debt service and the District's right-of-way fee (table LA0-1). The sole source of funding for the agency is O-type revenue.

The FY 2002 proposed capital budget is \$152,114,000.

- Continue implementation of the Authority's Internal Improvement Plan at the Blue Plains Wastewater Treatment Plant and in the Department of Customer Service, which will result in \$24 million in annual savings and the reduction of 228 positions when fully applied over an 8-year period.
- Enhance the Authority's safety programs.

**The FY 2002 proposed capital budget for all programs is \$152,114,000, an increase of \$11,389,000, or 7 percent, over the FY 2001 approved budget.**

## FY 2002 Initiatives

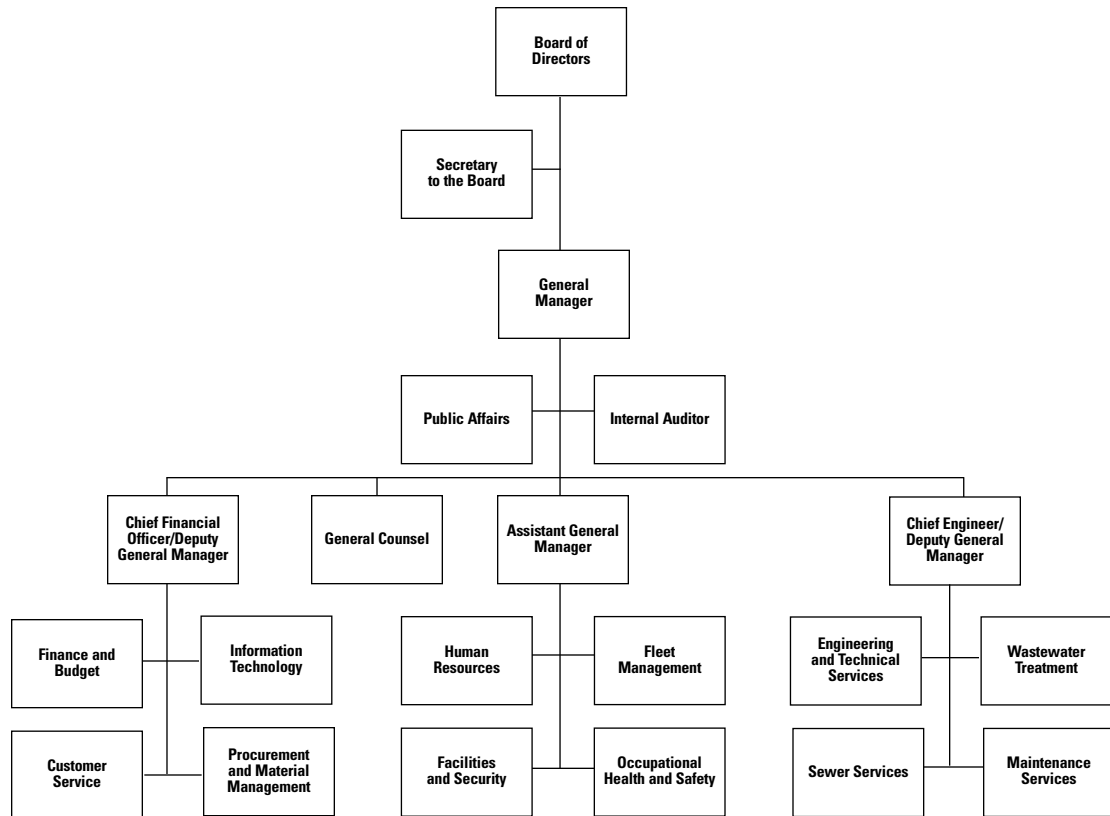
In FY 2001, as the first step in the implementation of its Internal Improvement Program, the Authority eliminated 35 vacant positions. In FY 2002, it will eliminate an additional 20 positions. The Authority will continue implementation of key metering programs including large meter testing and the comprehensive meter change-out/automated meter-reading programs begun in FY 2001. These programs are critical to improving the Authority's sold/pumped ratio.

## Strategic Issues

- Improve service to customers through organizational improvements (as outlined in the agency's Customer Service Internal Improvement Plan) and through technology and metering improvements.
- Execute the Authority's \$1.6 billion capital improvement program.

Figure LA0-1

## Water and Sewer Authority



WASA will also continue its investment in technology including development of:

- An information system that will allow customers to access account information and to pay bills over the internet.
- A maintenance management and fleet-management system.
- Web-site enhancement.
- A process/control system to substantially enhance the operations of the Blue Plains Wastewater Treatment Plant (critical to achieving the Internal Improvement Plan savings goals).

Other endeavors include:

- Begin stormwater administration activities in conjunction with the Department of Health and Public Works. (See discussion in Stormwater chapter.)

- Develop the commercial paper program to provide for interim financing of the \$1.6 billion capital improvement program.
- Continue strong relationships with the bond-rating agencies (Moody's, S&P, and Fitch) and capital markets, building on the success of the Authority's recent rating upgrades to A1/A/A+.

### Agency Background

WASA, created in October 1996 as an independent regional authority, has achieved all of the major financial goals set by its board of directors. The agency is a self-funded enterprise fund and is a component unit of the District of Columbia (figure LA0-1).

Upon passage of legislation in Congress (expected in 2001), the Authority will assume the responsibility of serving as administrator of the

Table LA0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(Dollars in Thousands)

Water and Sewer Utility Administration

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	50,475	54,457	55,004	547
Regular Pay - Other	141	0	0	0
Additional Gross Pay	3,312	5,927	5,876	-51
Fringe Benefits	9,474	11,429	10,670	-759
<i>Subtotal Personal Services (PS)</i>	<i>63,402</i>	<i>71,813</i>	<i>71,550</i>	<i>(263)</i>
Supplies and Materials	11,377	16,979	14,867	-2,112
Utilities	20,376	18,744	17,964	-780
Other Services and Charges	52,330	53,141	61,561	8,420
Subsidies and Transfers	25,543	27,793	33,859	6,066
Equipment and Equipment Rental-	833	641	933	292
Debt Services and Others	18,616	41,503	44,244	2,741
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>129,076</i>	<i>158,801</i>	<i>173,428</i>	<i>14,627</i>
<b>Total Proposed Operating Budget</b>	<b>192,478</b>	<b>230,614</b>	<b>244,978</b>	<b>14,364</b>

District's stormwater permit management activities, in coordination with the District's Department of Public Works and Department of Health. In FY 2002, a separate fund is established to provide for the financial management of these activities.

### Programs

WASA is an independent, multijurisdictional utility that provides essential retail water and wastewater services to more than 500,000 residents and businesses in the District of Columbia (figure LA0-1). It also provides wholesale wastewater conveyance and treatment services to approximately 1.6 million residents in Prince George's and Montgomery Counties, Maryland, and Fairfax and Loudoun Counties, Virginia.

WASA is governed by an 11-member board of directors, including 6 members from the District of Columbia and 5 members from Prince George's and Montgomery Counties in Maryland and Fairfax County, Virginia. The Authority's proposed FY 2002 operating budget totals

\$244,978,000 and reflects total staffing of 1,289 authorized positions. There will be a reduction of 55 positions over the next 2 years from the FY 2001 authorized levels.

### Funding Summary

WASA receives all of its funding from Other (O-Type) revenue sources, with all expenditures in the current budget proposal funded by user fees.

The increase of \$14,364,000 is primarily due to increased debt service costs as the Authority implements its \$1.6 billion capital improvement program and for the District's right-of-way fee. In addition, the FY 2001 and FY 2002 budgets include increased biosolids hauling costs due to the demolition of existing digesters at Blue Plains which will ultimately result in substantial operating savings and also include funding of new street repair and restoration requirements. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Table LA0-2

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

Water and Sewer Authority

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Federal	766	0	0	0	0
Other	204,281	181,768	189,676	230,614	244,978
Intra-District	5,197	2,556	2,803	0	0
<b>Gross Funds</b>	<b>210,245</b>	<b>184,324</b>	<b>192,478</b>	<b>230,614</b>	<b>244,978</b>

Table LA0-3

**FY 2002 Proposed Revenue, by Source**

(dollars in thousands)

Water and Sewer Authority

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Retail	188,006	177,521	175,042	179,909	194,239
Wholesale	45,999	46,942	47,000	45,500	45,955
Other	9,004	14,946	15,655	14,481	14,076
<b>Total</b>	<b>243,009</b>	<b>239,409</b>	<b>237,697</b>	<b>239,890</b>	<b>254,270</b>

Table LA0-4

**FY 2002 Proposed Capital Authority Request, by Program Area**

(Dollars in Thousands)

Water and Sewer Authority

	<b>Proposed FY 2002</b>
Blue Plains Wastewater Treatment	52,600
Sewer Collection System	11,148
Combined Sewer System	109
Stormwater	118
Water System	77,957
Washington Aqueduct	0
Capital Equipment	10,182
<b>Total</b>	<b>152,114</b>

## Capital Improvements

The Water and Sewer Authority is responsible for maintaining and operating the water distribution system, sanitary and combined sewage systems, and the world's largest advanced wastewater treatment plant, Blue Plains. WASA's ten-year \$1.6 billion capital improvements program will help WASA meet its key goals of providing the best service possible to its retail and wholesale customers, reducing long-term operating costs, and meeting regulatory requirements. The FY 2002 Capital Authority request totals \$152,114,000 for seven programs (table LA0-4). Refer to the FY 2002 Capital Appendices (bound separately) for details.

## Trend Data

Table LA0-2 and LA0-3 show expenditure and revenue history for FY 1998–FY 2002.

## Agency Goals and Performance Measures

### Goal 1. Provide the highest quality service to our customers.

*Citywide Strategic Priority Areas:* Promoting economic development; Making government work

*Manager:* Paul Bender, Chief Financial Officer

*Supervisor:* Jerry Johnson, General Manager

#### Performance measure 1.1: Percentage of meter-reading accuracy

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	99.9	99.9	99.9	99.9	99.9
Actual	99.9	99.9	—	—	—

#### Performance measure 1.2: Percentage of all calls answered within two minutes

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	97.0	97.0	97.0	97.0	97.0
Actual	88.5	87.0	—	—	—

#### Performance Measure 1.3: Number of days to resolve correspondence

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	30	30	30	30	30
Actual	57	45	—	—	—

### Goal 2. Provide reliable, high-quality drinking water to customers.

*Citywide Strategic Priority Areas:* Strengthening children, youth, families, and individuals;

Building and sustaining healthy neighborhoods; Promoting economic development

*Manager:* Michael Marcotte, Chief Engineer

*Supervisor:* Jerry Johnson, General Manager

#### Performance Measure 2.1: Percentage of time that drinking water complies with EPA quality requirements

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	100	100	100	100	100
Actual	100	100	—	—	—

#### Performance Measure 2.2: Number of distribution system miles that are flushed

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	600	600	600	600
Actual	NA	600	—	—	—

#### Performance Measure 2.3: Percentage of water main breaks that receive an initial response within 45 minutes

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	100.0	100.0	100.0	100.0
Actual	NA	99.5	—	—	—

#### Performance Measure 2.4: Percentage of water main breaks that are repaired within 10 days

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	100.0	100.0	100.0	100.0
Actual	NA	99.5	—	—	—

### Goal 3. Provide high-quality wastewater treatment services to customers.

*Citywide Strategic Priority Areas:* Strengthening children, youth, families, and individuals;

Building and sustaining healthy neighborhoods; Promoting economic development

*Manager:* Michael Marcotte, Chief Engineer

*Supervisor:* Jerry Johnson, General Manager

**Performance Measure 3.1: Percentage of time that the agency fully complies with the requirements of the EPA permit addressing the operation and maintenance of wastewater systems**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	100	100	100	100	100
Actual	100	100	—	—	—

**Goal 4. Ensure that WASA's financial performance meets the expectations of the board of directors, customers, and the broader financial community.**

*Citywide Strategic Priority Areas:* Promoting economic development; Making government work

*Manager:* Paul Bender, Chief Financial Officer

*Supervisor:* Jerry Johnson, General Manager

**Performance Measure 4.1: Percentage of senior debt service coverage**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	140	140	140	140	140
Actual	140	411	—	—	—

**Performance Measure 4.2: Amount of operating cash reserves maintained for 180 days worth of operating and maintenance (O&M) expenses (\$ in millions)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	90.0	90.0	90.0	90.0	90.0
Actual	147.4	156.6	—	—	—



---

# Washington Aqueduct

FY 2002 Proposed Operating Budget:	\$46,510,000
FY 2002 Proposed Capital Budget:	\$0

---

The Washington Aqueduct collects, purifies, and pumps an adequate supply of potable water to the District of Columbia, Arlington County, and the City of Falls Church, Virginia.

**The proposed FY 2002 operating budget for all funding sources totals \$46,510,000, an increase of \$1,419,000, or 3.1 percent, over the FY 2001 approved budget.**

## Budget Summary

The proposed FY 2002 operating budget for the Washington Aqueduct is \$46,510,000, an increase of \$1,419,000 or 3.1 percent over the FY 2001 approved budget of \$45,091,000 (table LB0-1). The sole source of funding for the agency is Other (O-Type) revenue earned from the sale of water to the District's Water and Sewer Authority (WASA), Arlington County, and the City of Falls Church, Virginia. The budget supports no District full-time equivalents (FTEs).

## Strategic Issues

In FY 2002, Washington Aqueduct will provide an adequate supply of potable water at an equitable economical rate, and protect consumers of drinking water from microbial risk.

## FY 2002 Initiatives

- Pump an estimated 64 billion gallons of purified water to customers.
- Continue to protect consumers of drinking water from adverse health effects due to chemicals in the water.
- Provide laboratory support to WASA.

## Agency Background

The Washington Aqueduct owns and operates intake facilities on the Potomac River in Great Falls and Little Falls, Maryland. The Aqueduct also owns and operates two 12-mile gravity conduit systems with a combined 200-million gallon per day (mgd) capacity; a 450-mgd raw water pumping station; a 480-mgd finished water pumping station; two major treatment plants with a 400-mgd capacity; three booster pumping stations; seven finished storage reservoirs; and many large-diameter transmission mains.

WASA purchases potable water on behalf of the District, making monthly payments to the Washington Aqueduct based on the number of gallons delivered. The Aqueduct charges a rate based on water sales agreements with the District and Northern Virginia. Water distribution is the sole responsibility of the recipients including the District.

The Aqueduct, a division of the U.S. Army Corps of Engineers, does not receive local funding. Moreover, the U.S. Army Corps of Engineers is prohibited from using local funds to operate the

water supply system. As a federal entity, the Aqueduct relies on Congress to authorize funding. In accordance with legislation, the agency submits a budget to the District of Columbia to obtain this authority.

The Washington Aqueduct continues to provide safe drinking water to its customers. In 1995, a major program was begun to modify treatment processes to bring them into alignment with new regulations and revitalize the infrastructure. In addition to the pay-as-you-go capital improvement funds obtained from each customer, a one-time authority to borrow \$75 million from the U.S. Treasury in fiscal years 1997, 1998, and 1999 provided funding for these improvements.

Significant accomplishments include converting to chloramines in the disinfection process, renovating raw water conduits, dredging the Dalecarlia Reservoir, renovating the East Filter Building, cleaning the clearwell, waterproofing the reservoir, and strengthening transmission mains. As a result, significant and measurable improvement has occurred in relation to the parameters regulated by the Safe Drinking Water Act. Also, process control equipment has been improved at both treatment plants through the installation of new Supervisory Control and Data Acquisition (SCADA) hardware and software at both treatment plants. The Washington Aqueduct laboratory's water-quality analytical operations continue to be certified by the U.S. Environmental Protection Agency.

## Programs

The Washington Aqueduct is managed by the U.S. Army Corps of Engineers and governed by a wholesale customer board. It sells water to three wholesale customers: WASA, Arlington County, and the City of Falls Church, Virginia. During FY 2002, the Washington Aqueduct will pump an estimated 64 billion gallons of purified water to its customers.

The agency is comprised of one control center that serves as the single component of the agency's budget. Authorized spending levels match the dollars by revenue type.

## Funding Summary

The proposed FY 2002 operating budget is \$46,510,000, a net increase of \$1,419,000, or 3.1 percent, over the FY 2001 approved budget. Refer

to the FY 2002 Operating Appendices (bound separately) for details.

The overall increase is attributable to:

- An increase of \$3,050,000 for pay-as-you-go capital to renovate existing plant facilities;
- A decrease of \$2,126,684 for debt service as a result of prepayment of a Treasury loan, which reduces the FY 2002 requirement; and
- An increase of \$495,684 for ongoing operations and maintenance costs of the Washington Aqueduct.

## Trend Data

Table LB0-2 shows the expenditure history for FY 1998–FY 2002.

## Agency Goals and Performance Measures

### Goal 1. Provide an adequate supply of potable water.

*City-wide Strategic Priority Areas:* Building and sustaining healthy neighborhoods; Making government work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

### Performance Measure 1.1: Amount of water pumped annually (billions of gallons)

	1999	2000	Fiscal Year 2001	2002	2003
Target	67.0	65.2	66.2	64.4	64.9
Actual	67.1	63.5	—	—	—

### Performance Measure 1.2: Average amount of water pumped per day to the District of Columbia (millions of gallons)

	1999	2000	Fiscal Year 2001	2002	2003
Target	143	135	136	135	136
Actual	138	133	—	—	—

### Performance Measure 1.3: Average amount of water pumped per day to Arlington, Virginia (millions of gallons)

	1999	2000	Fiscal Year 2001	2002	2003
Target	24	27	27	26	26
Actual	28	26	—	—	—

Table LB0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

Washington Aqueduct

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change From FY 2001
Subsidies and Transfers	0	45,091	46,510	1,419
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>0</i>	<i>45,091</i>	<i>46,510</i>	<i>1,419</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>45,091</b>	<b>46,510</b>	<b>1,419</b>

Table LB0-2

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

Washington Aqueduct

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Other	0	0	0	45,091	46,510
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,091</b>	<b>46,510</b>

**Performance Measure 1.4: Average amount of water pumped per day to Falls Church, Virginia (millions of gallons)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	15	16	15	16	16
Actual	16	15	—	—	—

**Goal 2. Provide potable water at an equitable, economical rate that covers all costs.**

*City-wide Strategic Priority Area:* Building and sustaining healthy neighborhoods; Making government work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

**Performance Measure 2.1: Cost per million gallons of pumped water for the District of Columbia (dollars)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	505	549	588	573	591
Actual	478	495	—	—	—

Note: Actual figures from FY 1999 and FY 2000 do not reflect DC Treasury Loan prepayment; FY 2000 actual figure is an estimate

**Performance Measure 2.2: Amount of revenue collected from the District of Columbia (millions of dollars)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	26.1	33.1	33.2	34.0	33.6
Actual	24.3	24.9	—	—	—

Note: FY 1999 and FY 2000 do not reflect DC Treasury Loan prepayment.

**Performance Measure 2.3: Amount of revenue collected from Arlington, Virginia (millions of dollars)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	4.8	6.4	7.0	7.5	7.3
Actual	5.3	5.1	—	—	—

**Performance Measure 2.4: Amount of revenue collected from Falls Church, Virginia (thousands of dollars)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	2,824	4,070	4,386	4,992	4,849
Actual	3,074	3,625	—	—	—

**Goal 3. Protect the drinking water consumer from both microbial risk and adverse health effects due to chemicals in the drinking water, as well as provide laboratory support to WASA.**

*City-wide Strategic Priority Areas:* Promoting economic development; Making government work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

**Performance Measure 3.1: Number of microbiological samples collected and analyzed within the D.C. water distribution system**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	2,520	2,920	3,200	3,200	3,200
Actual	2,726	3,063	—	—	—

**Performance Measure 3.2: Number of chemical substances investigated for presence in the water supply system wide**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	167	170	178	178	181
Actual	163	168	—	—	—

**Performance Measure 3.3: Number of lead and copper tests performed for the District of Columbia at the request of WASA**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	321	250	55	110	110
Actual	110	140	—	—	—

Note: The Lead and Copper Rule requires reduced monitoring for three years (2000–02). If the system is in compliance after three years, monitoring will be required only once every three years. Thus, monitoring may not be required for 2003.

**Performance Measure 3.4: Number of THM/HAA samples collected and analyzed for the District of Columbia at the request of WASA**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	140	160	160	160	328
Actual	140	160	—	—	—

**Performance Measure 3.5: Number of inorganic samples analyzed for the District of Columbia at the request of WASA**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	225	225	350	350	350
Actual	236	240	—	—	—

**Performance Measure 3.6: Percentage of samples in compliance with regulatory limits system wide**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	100	100	100	100	100
Actual	100	100	—	—	—

---

# Storm Water

FY 2002 Proposed Budget:	\$3,100,000
FY 2002 Proposed Capital Budget:	\$0

---

The Storm Water agency is responsible for ensuring compliance with EPA requirements under the District's storm water permit issued in April 2000.

**The proposed FY 2002 operating budget from all funding sources is \$3,100,000, an increase of \$3,100,000 over FY 2001.**

## Budget Summary

The establishment of the new Storm Water (SW0) agency, and the proposed FY 2002 budget of \$3.1 million, will provide the necessary funding to cover activities required of the District of Columbia to comply with a storm water runoff permit issued by the Environmental Protection Agency (EPA) in April 2000 (table SW0-1). This agency receives none of its funding from local sources. Funding for the agency will support the coordination of activities for three agencies that currently are involved in a specific operational aspect of storm water runoff in the District. These agencies include the Department of Health (DOH), Department of Public Works (DPW), and the District of Columbia Water and Sewer Authority (WASA). This agency receives no local funds.

Specific attributes proposed for this agency/fund will be:

- Storm water fees assessed on District residents will be collected via WASA's water and sewer billings.
- Collected fees will be held in a separate bank account.
- Expenditures will be segregated from WASA's operating and capital funds.

- The new agency/fund will have a separate financial statement.
- Compliance costs incurred by all three participating agencies would be reimbursed from the fund.
- Agencies would incur costs and initially pay for through their individual budgets.

## Strategic Issues

- Continue development of key permit deliverables required by the EPA, including development of storm water management plans for commercial, residential, government and industrial facilities.
- Continue working on a permanent storm water fee structure that is equitable, fair, and meets the operational requirements for the program.

## FY 2002 Initiatives

- Analysis of pollution sources and impact of land use, population, etc. on the storm water system.
- Implement storm water outfall monitoring.
- Develop storm water management plan for commercial, residential, and government areas that includes coordination of street sweeping, catch basin cleaning, and leaf collection.

- Develop public education program.
- Implement wet weather and related monitoring programs.

## Agency Background

In April 2000, the District of Columbia received a separate storm sewer system permit from the Environmental Protection Agency (EPA) which governs the control of storm water runoff into the Anacostia and Potomac Rivers, Rock Creek, and related tributaries.

The permit requires a number of storm water control and management activities, including development of management plans and storm water controls, catch basin cleaning, street sweeping, public education, and reporting, among other items. The responsibilities for these activities are distributed among the Department of Health, Department of Public Works, and the Washington and Sewer Authority (WASA) in accordance with a memorandum of understanding executed in December 2000. In early 2001, the Council for the District of Columbia passed legislation that provides for WASA to serve as administrator of the Storm Water Permit Compliance Fund and to coordinate all storm water-related activities undertaken by the three agencies. Coordination of these activities will be led by WASA, and funding derived from a separate District storm water fee that will be implemented in late FY 2001. This legislation is pending congressional approval and is a provisional agency/fund until approval from Congress.

## Program Overview

Approximately two-thirds of the District's total sanitary sewer conveyance system and storm water runoff system are two separate entities. One conveys sanitary sewage flows to WASA's Blue Plains Advanced Wastewater Treatment Plant for treatment, and the second conveys storm water to approximately 600 outfalls located on the Anacostia and Potomac Rivers and other waterways. The remaining one-third of the sewer system is combined. When combined in the same system, the flow is conveyed to Blue Plains for

treatment except during periods of heavy rainfall, when discharges to area waterways through sixty "combined sewer overflow" points occur. The permit addresses discharges from the separate storm sewer system.

## Funding Summary

### Other

The proposed FY 2002 other budget for storm water activities is \$3.1 million (table SW0-2). Funding for these costs is to be provided by a separate District storm water fee approved by the Council of the District of Columbia that will appear as a separate line item on District residents' water and sewer bills. This fee will begin to be collected in late FY 2001 in conjunction with the implementation of WASA's new customer information system.

Any funds required to comply with the permit that are not covered by the fee would be paid directly by the Departments of Health and Public Works and/or deducted from WASA's annual payment in lieu of taxes to the District in accordance with the memorandum of understanding executed by these parties.

Any fund balances remaining in the Stormwater Permit Compliance Enterprise Fund will be used for storm water compliance activities as determined by the storm water administrator in conjunction with the Departments of Health and Public Works. In accordance with the legislation, any monies in the Fund cannot be commingled with the District's General Fund, the Water and Sewer Authority Enterprise Fund, or any other funds or accounts of the District of Columbia. Refer to the FY 2002 Operating Appendices (bound separately) for details.

## Agency Goals and Performance Measures

- Compliance with provisions of the District storm water permit.

Others to be developed as part of the storm water management program.

Table SW0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(Dollars in Thousands)

Storm Water

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Subsidies and Transfers	0	0	3,100	3,100
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>0</i>	<i>0</i>	<i>3,100</i>	<i>3,100</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>3,100</b>	<b>3,100</b>

Table SW0-2

**FY 2002 Proposed Operating Budget, by Revenue Type**

(Dollars in Thousands)

Storm Water

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Other	0	0	0	0	3,100
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,100</b>





# D.C. Lottery and Charitable Games Board

FY 2002 Proposed Operating Budget:

\$229,688,416

FY 2002 Proposed Capital Budget:

\$0

The D.C. Lottery and Charitable Games Board generates revenues for the General Fund and regulates charitable games in order to support programs and services for the residents of the District of Columbia. To this end, the agency maximizes lottery sales and profits and protects the public against fraud and deception through the effective management and regulation of lottery and charitable gaming activities.

**The FY 2002 proposed operating budget is \$229,688,416, an increase of \$6,488,416, or 2.9 percent, over the FY 2001 approved budget.**

## Budget Summary

The FY 2002 proposed operating budget is \$229,688,416, an increase of \$6,488,416 or 2.9 percent over the FY 2001 approved budget (table DC0-1). The agency is funded 100 percent from Other-type sources. There are 100 full-time equivalent (FTE) positions supported by this budget, the same level as FY 2001 (table DC0-2). The increase is attributable to new game initiatives and a net expansion of overall game operations, which have resulted in greater prize payouts, sales commissions, and contractor fees.

product and service deficiencies in a changing marketplace.

- Elevate the image of the D.C. Lottery and heighten awareness of the role that it plays in supporting the District of Columbia.
- Utilize the newly designed D.C. Lottery Web site to increase customer service, product information, and interactive cross-promotions in order to bring added value and convenience to both players and retailers.
- Develop innovative lottery games to enhance revenues.

## Strategic Issues

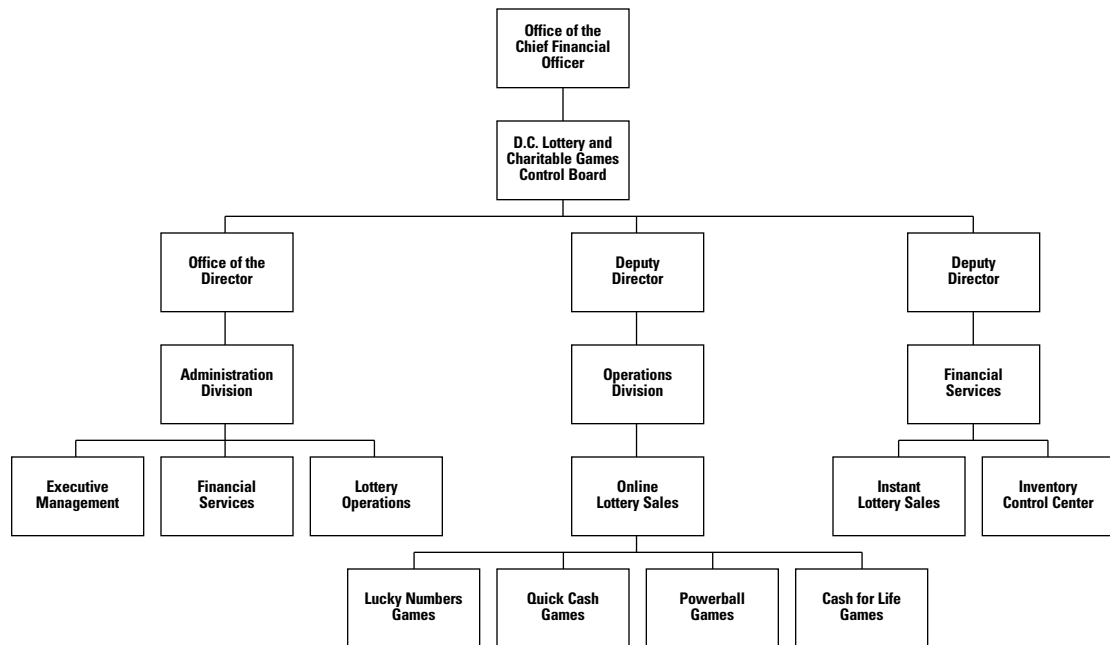
- Continue to develop and implement partnerships and strategic alliances to introduce new products, broaden distribution, accelerate market penetration, and compensate for potential

## FY 2002 Initiatives

In FY 2002, the D.C. Lottery will pursue the development and launch of a rapid draw game. Based on sales projections, this game will deliver greater incremental sales revenue than those derived from previous daily, online game launches.

Figure DC0-1

## D.C. Lottery and Charitable Games Board



The successful deployment of a rapid draw game depends on the development and support of an agent base. Careful selection of appropriate retail locations for the promotion and sale of monitor games will be required for maximum exposure. While a number of the D.C. Lottery's existing agents may be able to meet the basic criteria for offering a rapid draw game to its clientele, it is believed that the bulk of sales will occur through new licenses. There are some areas of the city where the D.C. Lottery has been unable to market its products to the greatest possible extent. In addition, retailers who have already determined that D.C. Lottery products are not attractive to their customer base may reconsider upon the deployment of a rapid draw type game. This effort could therefore be the differentiating product for many major entertainment establishments that attract Maryland and Virginia residents but do not partake in the advantages of the D.C. Lottery.

## Agency Background

The D.C. Lottery was created in 1982 through the passage of public laws. These laws stated that the Charitable Games Board shall operate and conduct a lottery, determine the number of times a lottery is held each year, and decide the form and price of tickets. These laws also give the D.C. Lottery a great deal of leeway in determining the types of games that can be offered.

In addition, law states that the "Board shall operate and conduct a daily numbers game." The games that comprise the Lottery's draw operations are variations of a daily numbers game, and are thus mandated by D.C. law. The law also stipulated that an oversight authority should be incorporated to issue licenses to persons, firms, partnerships, organizations, or corporations engaged in or existing for charitable, benevolent, humane, religious, philanthropic, recreational, social, educational, civic, fraternal, or other not-for-profit purposes. The D.C. Lottery's Charitable Games Division coordinates these activities.

Table DC0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(Dollars in thousands)

D.C. Lottery and Charitable Games Board

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	4,090	5,034	5,194	160
Regular Pay - Other	98	99	106	7
Additional Gross Pay	266	149	183	34
Fringe Benefits	669	821	800	-22
<i>Subtotal Personal Services (PS)</i>	<i>5,123</i>	<i>6,104</i>	<i>6,284</i>	<i>180</i>
Supplies and Materials	55	130	116	-14
Utilities	24	0	32	32
Communications	1,133	1,235	1,285	50
Rentals - Land and Structures	1,311	1,475	1,482	7
Janitorial Services	0	0	5	5
Other Services and Charges	12,382	13,780	15,649	1,869
Contractual Services	3,086	4,055	5,122	1,067
Subsidies and Transfers	193,984	195,475	198,950	3,475
Equipment and Equipment Rental	322	946	763	-183
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>212,295</i>	<i>217,096</i>	<i>223,405</i>	<i>6,308</i>
<b>Total Proposed Operating Budget</b>	<b>217,418</b>	<b>223,200</b>	<b>229,688</b>	<b>6,488</b>

Table DC0-2

**FY 2002 Full-Time Equivalent Employment Levels**D.C. Lottery and Charitable Games Board

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Continuing full time	85.25	100.00	100.00	0.00
Term full time	2.25	0.00	0.00	0.00
<b>Total FTEs</b>	<b>87.50</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

Figure DC0-2

**D.C. Lottery and Charitable Games Board Employment Levels, FY 1998–Proposed FY 2002**

(gross FTEs)

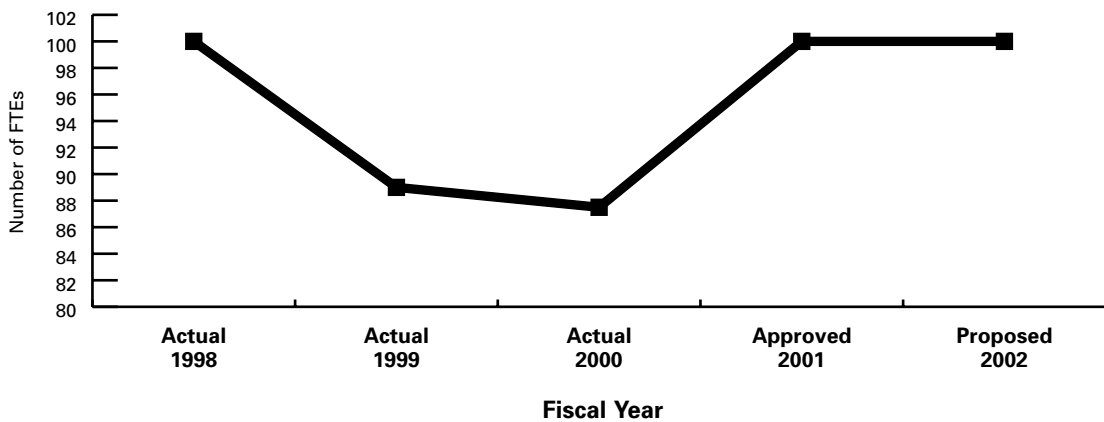


Table DC0-3

**FY 2002 Proposed Operating Budget, by Revenue Type**

(Dollars in thousands)

D.C. Lottery and Charitable Games Board

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Other	230,138	209,525	217,418	223,200	229,688
<b>Gross Funds</b>	<b>230,138</b>	<b>209,525</b>	<b>217,418</b>	<b>223,200</b>	<b>229,688</b>

**Programs**

Figure DC0-1 displays the entities that make up the D.C. Lottery. The agency achieves its mission through three overarching programmatic areas, as detailed below.

The **Administration Division** is responsible for the management and operating structure of the agency's business and regulatory activities. This task is carried out by the Executive Management Office, Financial Services, and Lottery Operations.

The **Operations Division** consists primarily of the Instant Lottery Sales Division. This Division is staffed by personnel from the Administration Division and is responsible for the development, design, distribution, and accounting of instant "scratch off" operations, ticket sales, and prize payouts.

The **Financial Services Division** consists of the Online Sales Division, which is in turn made up of draw-type games such as Lucky Numbers, D.C. Four, Quick Cash, Hot Five, and PowerBall. This Division is staffed by personnel from the Administration Division and is responsible for the development, design, and accounting of draw-type game operations, ticket sales, and prize payouts.

**Funding Summary**

The D.C. Lottery receives 100 percent of its funding from Other-type sources (table DC0-3). Refer to the FY 2002 Operating Appendices (bound separately) for details. The increase of \$6,488,416 or 2.9 percent over the FY 2001 approved budget reflects:

- \$588,415 increase in contractual services based on FY 2002 strategic initiatives and on non-

personal services related to efforts to replace the agency's aging infrastructure.

- \$1,903,659 increase in prizes based on recent trends and projections for FY 2002; advertising costs designed to retain and expand the Instant Games player base; and commissions and contractor fees related to payouts.
- \$3,996,342 increase in prize monies based on current trends and projected gaming activity; commissions and contractor fees related to payouts; direct costs associated with the development and launch of a new draw type game; and advertising to retain and expand the current base of draw players.

## Trend Data

Table DC0-3 and Figure DC0-2 show expenditure and employment histories for FY 1998–FY 2002.

## Agency Goals and Performance Measures

### Goal 1. Provide a dependable, uninterrupted source of revenues to the District's General Fund.

*Citywide Strategic Priority Area:* Making government work

*Managers:* Kevin Johnson, Vivien Cunningham, William Parsons, Robert Hainey, James Jones, Ida Crosson, Claudia Booker, Carol Jackson Jones, Doris Brown, William Robinson, Melody Booker

*Supervisor:* Anthony Cooper, Executive Director

#### Measure 1.1: Amount of money transferred to the District's General Fund (millions of dollars)

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	72.0	69.0	70.0	69.0	71.5
Actual	64.2	69.5	-	-	-

#### Measure 1.2: Amount of commissions paid to agents (millions of dollars)

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	12.6	13.2	12.5	12.9	14.1
Actual	11.1	12.3	-	-	-

#### Measure 1.3: Amount paid out for lottery prizes (millions of dollars)

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	112.5	123.8	113.0	117.0	129.4
Actual	110.5	115.5	-	-	-

#### Measure 1.4: Number of agent newsletters published

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	N/A	1	4	4	4
Actual	N/A	1	-	-	-



---

# D.C. Sports and Entertainment Commission (Starplex Fund)

FY 2002 Proposed Operating Budget:

\$9,126,650

FY 2002 Proposed Capital Budget:

\$0

---

The D.C. Sports and Entertainment Commission improves the quality of life and enhances economic development in the District by operating RFK Stadium, managing the non-military functions of the D.C. National Guard Armory, promoting the District as a venue for sports and entertainment activities, and supporting youth recreational activities. The commission performs these functions and carries out its mission on a self-supporting basis.

**The proposed FY 2002 operating budget is \$9,126,650, a decrease of \$1,841,000, or 16.8 percent, from FY 2001.**

## Budget Summary

The proposed FY 2002 operating budget for the D.C. Sports and Entertainment Commission is \$9,126,650, a decrease of \$1,841,000 or 16.8 percent from the FY 2001 approved budget (table SC0-1). The decrease reflects a one-time cost of \$1,841,000 in FY 2001 for the installation of a scoreboard that will not be required in FY 2002. The D.C. Sports and Entertainment Commission receives funding solely from Other (O-type) sources.

## Strategic Issues

- Continue to generate revenues in excess of expenses.
- Increase profitability by expanding the number of events held at its facilities.
- Identify new revenue streams.

- Reduce costs thorough management improvements in both administration and event functions.
- Increase contributions under the community outreach program.
- Develop a more comprehensive and focused outreach strategy.

## FY 2002 Initiatives

- Increase the number of events by seeking out new activities, courting new sports leagues, and making the venues more attractive to promoters.
- Refurbish facilities and continue with improvements to both RFK Stadium and the D.C. Armory. The extent of repair, maintenance, and refurbishment required in FY 2002 will depend on the amount of work completed in FY 2001.

## Agency Background

The Commission promotes the District as a location for sports and entertainment events, supports youth recreational activities, operates RFK Stadium and manages the non-military functions of the D.C. National Guard Armory. An 11-member Board of Directors, composed of District-based professional, business, labor, community and government leaders, directs the Commission's efforts to enhance the District's economic development efforts through sports and entertainment activities. In addition, the Commission fulfills its duty to promote recreational opportunities by supporting and funding a community grant program that provides funding to grassroots organizations and by providing support for a number of other sports, recreation, and community activities.

## Programs

The Commission's revenues and expenditures are highly dependent on the number of events that take place at its venues each year. Some of those events, including the Ringling Bros. Barnum and Bailey Circus, MLS soccer, and WUSA soccer, continue from year to year; others, such as concerts and other touring shows, are not scheduled until several months prior to the actual event. Due to these immutable aspects of the sports and entertainment industry, making predictable assumptions about specific activities, revenues, and expenses is difficult. Accordingly, the commission's actual expenditures may vary significantly from budgeted amounts due to changes in activity levels.

## Funding Summary

### Other

The proposed FY 2002 other budget is \$9,126,650, a decrease of \$1,841,000, or 16.8 percent from the FY 2001 approved budget. The D.C. Sports and Entertainment Commission receives all funding from Other sources. The decrease is due to an adjustment for a one-time cost of \$1.8 million to replace a stadium scoreboard in FY 2001. Refer to the FY 2002 Operating Appendices (bound separately) for details.

## Trend Data

Table SC0-2 shows the expenditure history for FY 1998–2002.

## Agency Goals and Performance Measures

### Goal 1. Increase the number of events held at the agency's facilities

*Citywide Strategic Priority Area:* Promoting economic development

*Manager:* Tony Burnett, Stadium Manager;

Kenneth Brown, Armory Manager

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 1.1: Number of stadium and armory events

	1999	2000	Fiscal Year 2001	2002	2003
Target	85	85	90	100	110
Actual	85	87	-	-	-

### Goal 2. Become more profitable.

*Citywide Strategic Priority Area:* Making government work

*Manager:* Scott Burrell, Chief Financial Officer

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 2.1: Net income from stadium and armory events (thousands of dollars)

	1999	2000	Fiscal Year 2001	2002	2003
Target	14.0	434.0	500.0	500.0	500.0
Actual	(380.0)	(955.0)	-	-	-

### Goal 3. Improve community outreach program.

*Citywide Strategic Priority Areas:* Strengthening children, youth, families, and individuals;

Building and sustaining healthy neighborhoods

*Manager:* Neville Waters, Marketing Manager

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 3.1: Community outreach contribution (thousands of dollars)

	1999	2000	Fiscal Year 2001	2002	2003
Target	100	150	200	225	250
Actual	150	355	-	-	-



Table SC0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(Dollars in thousands)

D.C. Sports and Entertainment Commission

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	1,195	1,558	1,558	0
Regular Pay - Other	986	1,236	1,236	0
Additional Gross Pay	282	233	233	0
Fringe Benefits	389	395	454	59
<i>Subtotal Personal Services (PS)</i>	<i>2,851</i>	<i>3,421</i>	<i>3,480</i>	<i>59</i>
Supplies and Materials	0	54	54	0
Utilities	0	365	365	0
Communications	0	56	56	0
Other Services and Charges	0	871	871	0
Subsidies and Transfers	0	1,520	1,520	0
Rentals - Land and Structures	0	1,462	1,462	0
Equipment and Equipment Rental	0	3,219	1,319	-1,900
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>0</i>	<i>7,546</i>	<i>5,646</i>	<i>(1,900)</i>
<b>Total Proposed Operating Budget</b>	<b>2,851</b>	<b>10,968</b>	<b>9,127</b>	<b>(1,841)</b>

Table SC0-2

**FY 2002 Proposed Operating Budget, by Revenue Type**

(Dollars in thousands)

D.C. Sports and Entertainment Commission

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Other	2,914	2,852	2,851	10,968	9,127
<b>Gross Funds</b>	<b>2,914</b>	<b>2,852</b>	<b>2,851</b>	<b>10,968</b>	<b>9,127</b>



---

# Public Benefit Corporation

FY 2002 Proposed Operating Budget:	\$0
FY 2002 Proposed Capital Budget:	\$0
FY 2002–FY 2007 Proposed Capital Improvement Plan:	\$0

---

The Public Benefit Corporation was abolished pursuant to the Health Care Privatization Amendment Act of 2001.

**The FY 2002 proposed operating budget is \$0, a decrease of \$149,658,957, from the FY 2001 approved budget.**

The District of Columbia Health and Hospitals Public Benefit Corporation (PBC) was designed to serve as a community-oriented health care provider of quality, cost-effective medical care, with a special commitment to ensuring care for the District's under-served and indigent population. On April 30, 2001, the PBC was abolished pursuant to the Health Care Privatization Amendment Act of 2001. The Act authorized the establishment of the Health Care Safety Net Administration (HCSNA), an alternative health care delivery system for the uninsured. The HCSNA will function as a unit within the Department of Health (HC0) that will administer and monitor a contract to deliver comprehensive community-based health care services to indigent and uninsured District residents. For FY 2002, both the operating and capital budgets associated with the PBC are transferred to the HCSNA under the Department of Health.



---

# District of Columbia Retirement Board

FY 2002 Proposed Operating Budget:

\$13,387,875

FY 2002 Proposed Capital Budget:

\$0

---

The mission of the D.C. Retirement Board is to invest, control, and manage the assets of the D.C. Teachers' Retirement System and the D.C. Police Officers' and Fire Fighters' Retirement System.

**The FY 2002 Proposed operating budget from all funding sources totals \$13,387,875, an increase of \$1,974,133, or 17.3 percent, over the FY 2001 approved budget.**

## Budget Summary

The FY 2002 proposed operating budget for the D.C. Retirement Board from all funding sources totals \$13,387,875, an increase of \$1,974,133 or 17.3 percent from the FY 2001 approved budget (table DY0-1). The increase in FY 2002 is primarily attributable to investment management fees that are directly related to the growing fund asset value that the board is charged with administering. There are 14 full-time equivalents (FTEs) supported by this budget, no change from the FY 2001 level (table DY0-2).

ments are made and provides oversight on the investment of the retirement fund assets.

As of September 30, 2000, the combined value of the retirement funds was \$2.2 billion, representing an increase of \$300 million from September 30, 1999. As of September 30, 2000, the number of contributing employees totaled 10,927 (6,141 in the Teachers' Retirement System and 4,786 in the Police Officers' and Fire Fighters' Retirement System).

Twelve trustees serve on the board: three are appointed by the Mayor, three are appointed by the District of Columbia Council, and six are elected by their beneficiary and participant groups. Since inception, the board has operated under a committee system. Currently, the board has five standing committees: Benefits, Investment, Legislative, Operations, and Minority Participation.

## FY 2002 Initiatives

In FY 2002, the D.C. Retirement Board will implement the Police Officers' longevity pay benefit enhancement enacted in FY 2001 by the United States Congress.

## Agency Background

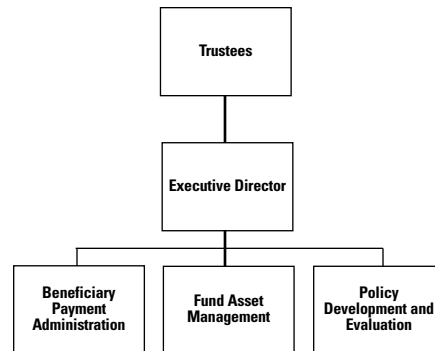
The D.C. Retirement Board sets overall policy to manage the District's Teachers', Police Officers', and Fire Fighters' Retirement Systems. The Retirement Board ensures that beneficiary pay-

## Programs

The board and its staff (figure DY0-1) have statutory and operational responsibilities in the following areas:

Figure DY0-1

## District of Columbia Retirement Board



- Custody and investment retirement funds
- Oversight of contributions to the funds by the District government and employees
- Oversight of benefit payments to annuitants
- Reporting and disclosures
- Organization and operation of the board.

The board fulfills its mission through three primary activities:

- Benefit payment administration
- Fund asset management
- Retirement system policy development and review.

### Funding Summary

Of the total budget increase, 70 percent is associated with the increased cost of investment management as the value of total fund asset increases. Investment management fees are calculated as a percentage of the value of the assets being managed. The \$193,948 increase in personal services reflects the new compensation system approved and implemented by the board in FY 2001. Historically, the operating budget for the board has been 100 percent funded by other funds, specifically from the investment earnings on the assets of the retirement plans. Refer to the FY 2002 Operating Appendices (bound separately) for details.

### Trend Data

Table DY0-3 shows expenditure history for FY 1998–FY 2002.

### Agency Goals and Performance Measures

**Goal 1. Achieve long-term rate of return in excess of the actuarially assumed rate of return.**

*City-wide Strategic Priority Area:* Making government work

*Manager:* Sheila Morgan-Johnson, Chief Investment Officer

*Supervisor:* Jorge Morales, Executive Director

#### Performance Measure 1.1: Performance of the actuarial rate versus the District's 10-year actual rate of return percentage

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	7.25	7.25	7.25	7.25	7.25
Actual	11.9	13.5	—	—	—

#### Performance Measure 1.2: Performance of the customized annual benchmark versus the District's actual rate of return percentage

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	20.5	13.2	8.3	8.9	7.25
Actual	18.5	14.2	—	—	—

Table DY0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

D.C. Retirement Board

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	576	901	1,060	159
Regular Pay - Other	68	65	65	0
Additional Gross Pay	99	70	80	10
Fringe Benefits	90	146	171	25
<i>Subtotal Personal Services (PS)</i>	<i>833</i>	<i>1,182</i>	<i>1,376</i>	<i>194</i>
Supplies and Materials	10	134	138	4
Communications	15	20	31	11
Rent - Land, and Structures	256	275	230	-45
Other Services and Charges	4,934	9,694	11,566	1,871
Subsidies and Transfers	0	0	0	0
Equipment and Equipment Rental	10	108	47	-61
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>5,225</i>	<i>10,232</i>	<i>12,012</i>	<i>1,780</i>
<b>Total Proposed Operating Budget</b>	<b>6,058</b>	<b>11,414</b>	<b>13,388</b>	<b>1,974</b>

Table DY0-2

**FY 2002 Full-Time Equivalent Employment Levels**D.C. Retirement Board

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Continuing full time	13	13	0	
Term full time	1	1	1	0
<b>Total FTEs</b>	<b>9</b>	<b>14</b>	<b>14</b>	<b>0</b>

Table DY0-3

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

D.C. Retirement Board

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Local	1	0	0	0	0
Other	1,985	14,157	6,058	11,414	13,388
<b>Gross Funds</b>	<b>1,986</b>	<b>14,157</b>	<b>6,058</b>	<b>11,414</b>	<b>13,388</b>

**Performance Measure 1.3: U.S. equity target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	43.7	43.7	43.7	43.7	43.7
Actual	49.5	41.6	—	—	—

**Performance Measure 1.4: Non-U.S. equity target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	20.0	20.0	20.0	20.0	20.0
Actual	20.7	19.5	—	—	—

**Performance Measure 1.5: U.S. fixed income target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	30.3	30.3	30.3	30.3	30.3
Actual	16.7	30.3	—	—	—

**Performance Measure 1.6: Real estate target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	0.0	0.0	0.0	0.0	0.0
Actual	1.2	0.5	—	—	—

**Performance Measure 1.7: Alternative investment target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	5.0	5.0	5.0	5.0	5.0
Actual	5.9	5.0	—	—	—

**Performance Measure 1.8: Short-term cash target asset allocation percentage versus the District's actual as of September 30**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	1.0	1.0	1.0	1.0	1.0
Actual	6.0	3.1	—	—	—



---

# Correctional Industries Fund

FY 2002 Proposed Operating Budget: \$0  
FY 2002 Proposed Capital Budget: \$0

---

The Correctional Industries Fund served as a self-supporting entity that used inmate labor within the Lorton, Virginia, correctional facilities to provide manufactured goods to District agencies.

**The FY 2002 proposed operating budget is \$0, a decrease of \$5,427,629, or 100 percent, from the FY 2001 approved budget.**

## Budget Summary

The FY 2002 proposed operating budget for the Correctional Industries Fund is \$0, a decrease of \$5,427,629, or 100 percent, from the FY 2001 approved budget (table FP0-1). No funding is proposed in FY 2002 because this activity will end with the final closure of the Lorton, Virginia, correctional facilities during the fourth quarter of 2001. There are no FTEs in FY 2002 (table FP0-2).

## Agency Background

The activities conducted under the Correctional Industries Fund provided job-skills development opportunities for inmates within the District of Columbia Department of Corrections. The primary activities of Correctional Industries were license plate manufacturing and furniture repair. It is anticipated that the Correctional Industries Fund will be completely shut down by the end of FY 2001 (September 30, 2001).

Table FP0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(Dollars in Thousands)

Correctional Industries

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Regular Pay - Cont. Full Time	1,078	1,246	0	-1,246
Regular Pay - Other	0	60	0	-60
Additional Gross Pay	35	0	0	0
Fringe Benefits	177	199	0	-199
<i>Subtotal Personal Services (PS)</i>	<i>\$1,290</i>	<i>\$1,505</i>	<i>\$0</i>	<i>(\$1,505)</i>
Supplies and Materials	741	2,039	0	-2,039
Other Services and Charges	831	1,709	0	-1,709
Rentals - Land and Structures	1	1	0	-1
Equipment and Equipment Rental -	16	174	0	-174
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>\$1,588</i>	<i>\$3,923</i>	<i>\$0</i>	<i>(\$3,923)</i>
<b>Total Proposed Operating Budget</b>	<b>\$2,877</b>	<b>\$5,428</b>	<b>\$0</b>	<b>(\$5,428)</b>

Table FP0-2

**FY 2002 Full-Time Equivalent Levels**

(Dollars in Thousands)

Correctional Industries

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	17	31	0	-31
<b>Total FTEs</b>	<b>17</b>	<b>31</b>	<b>0</b>	<b>-31</b>

---

# Washington Convention Center

FY 2002 Proposed Budget: \$57,277,500  
FY 2002 Proposed Capital Budget: \$0

---

The Washington Convention Center Authority plans to expand the revenue base of the District by promoting and hosting large national and international conventions and trade shows that bring hundreds of thousands of out-of-town delegates, exhibitors, and businesses to Washington, DC; and to provide expanded employment and business opportunities for residents of the District.

**The proposed FY 2002 operating budget is \$57,277,500, an increase of \$4,551,200, or 8.6 percent, over the FY 2001 approved budget.**

## Budget Summary

The proposed FY 2002 operating budget for the Washington Convention Center Authority (WCCA) is \$57,277,500, an increase of \$4,551,200, or 8.6 percent, over the FY 2001 approved budget of \$52,726,300 (table ES0-1). The increase is due to the hiring of additional staff members for the new convention center, an unforeseen increase in electrical rates, and the procurement of a new accounting system.

## Strategic Issues

- Provide space for public events and exhibits
- Foster redevelopment of downtown Washington
- Provide employment and business opportunities for District residents

## FY 2002 Initiatives

- Increase the number of events and shows from an estimated 65 in FY 2001 to 75 in FY 2002
- Continue to partner with the tourism and hospitality industries to provide world-class services to conventioners and visitors to the District

## Agency Background

On August 2, 1994, the District Council enacted the Washington Convention Authority Act, which transferred operational oversight of the convention center to the Washington Convention Center Authority.

## Programs

WCCA is an independent corporate body consisting of seven directors appointed by the Mayor with the consent of the Council, the Chief Financial Officer of the District, and the Director

of the Office of Tourism and Promotions (figure ES0-1). In partnership with the local and regional tourism and hospitality industry, the WCCA provides space for public events and exhibits and world-class customer service to conventioners and visitors in the District.

Most of the WCCA's current operation is focused on construction of the new convention center on the eastern side of Mt. Vernon Square. The new state-of-the-art convention center, due to open in March 2003, will have over 725,000 square feet available for exhibitors and meeting space (compared with 355,000 square feet in the current convention center). It is expected to create over 10,000 new hospitality industry jobs in the District.

## Funding Summary

The proposed FY 2002 other budget is \$57,277,500, an increase of \$4,551,200, or 8.6 percent, over the FY 2001 approved budget. Of this increase, \$2,251,100 is in personal services and \$2,300,100 is in nonpersonal services. Refer to the FY 2002 Operating Appendices (bound separately) for details. Significant increases include:

- \$2,251,000 for 8 additional FTEs, part-time staffing needs, salary adjustments, and staffing contingency needs necessary to prepare for the new convention center.
- Approximately \$700,000 in unforeseen increases in electricity rates and for additional Internet costs.
- Approximately \$900,000 for a new accounting system.

## Trend Data

Table ES0-2 shows expenditure history for FY 1998–Proposed FY 2002.

## Agency Goals and Performance Measures

Note: The new convention center will open in FY 2003.

### Goal 1. Maintain or exceed bookings and building revenue while supervising the construction of a new convention center.

*Citywide Strategic Priority Area:* Promoting economic development

*Manager:* Tracy S. Harris, CFO

*Supervisor:* Lewis S. Dawley III, General Manager

#### Performance Measure 1.1: Number of events hosted

	1999	2000	Fiscal Year 2001	2002	2003
Target	80	100	65	75	TBD
Actual	139	116	—	—	—

#### Performance Measure 1.2: Number of delegates and exhibitors (thousands)

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	700	700	550	TBD
Actual	779	936	—	—	—

#### Performance Measure 1.3: Percentage of convention center occupancy rate

	1999	2000	Fiscal Year 2001	2002	2003
Target	85	90	82	75	TBD
Actual	85	80	—	—	—

Table ES0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

Washington Convention Center Authority

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	10,058	8,238	9,535	1,297
Regular Pay - Other	0	708	1,476	768
Additional Gross Pay	0	339	553	214
Fringe Benefits	0	2,435	2,407	-28
<i>Subtotal Personal Services (PS)</i>	<i>10,058</i>	<i>11,720</i>	<i>13,971</i>	<i>2,251</i>
Supplies and Materials	541	475	534	59
Utilities	1,937	2,105	2,831	726
Other Services and Charges	8,354	0	10,891	10,891
Contractual Services	0	11,950	1,657	-10,293
Equipment and Equipment Rental	0	525	1,442	917
Debt Service	0	25,951	25,951	0
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>10,833</i>	<i>41,006</i>	<i>43,306</i>	<i>2,300</i>
<b>Total Proposed Operating Budget</b>	<b>20,891</b>	<b>52,726</b>	<b>57,277</b>	<b>4,551</b>

Table ES0-3

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

Washington Convention Center Authority

	<b>Actual FY 1998</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>
Other	21,185	127,001	20,891	52,726	57,278
<b>Gross Funds</b>	<b>21,185</b>	<b>127,001</b>	<b>20,891</b>	<b>52,726</b>	<b>57,278</b>



---

# Housing Finance Agency

FY 2002 Proposed Operating Budget: \$4,710,634  
FY 2002 Proposed Capital Budget: \$0

---

During deliberations on the FY 2002 Proposed Budget, the Committee on Economic Development recommended that the Budget Request Act include specific authorization for the expenditure of funds by the Housing Finance Agency (HFA). Prior language had not been included in the Act because the agency had received no District or federal funding support for its operations. The Committee recommended the Act be amended and that agency's FY 2002 proposed budget be approved.

**The FY 2002  
proposed  
operating  
budget is  
\$4,710,634.**

## **Budget Summary**

The FY 2002 proposed operating budget for the Housing Finance Agency is \$4,710,634.

## **Background**

The District of Columbia Housing Finance Agency (HFA) was founded in 1979 to help stimulate and expand the District's tax base by facilitating home ownership and rental housing opportunities. The HFA accomplishes its mission primarily by issuing tax-exempt mortgage revenue bonds, which lower the cost of financing single-family home purchases, and the cost for development of rental housing.

---

Table HF0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

Housing Finance Agency

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Subsidies and Transfers	0	0	4,711	4,711
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>0</i>	<i>0</i>	<i>4,711</i>	<i>4,711</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>4,711</b>	<b>4,711</b>

**Funding Summary**

**Other**

The FY 2002 proposed budget for the Housing Finance Agency is \$4,710,634. It is funded entirely with Other (O-Type) revenues including issuance of tax-exempt mortgage revenue bonds, earned income, fees, and grants.



---

# National Capital Revitalization Corporation

FY 2002 Proposed Operating Budget:

\$2,672,958

FY 2002 Proposed Capital Budget:

\$ 0

---

The mission of the National Capital Revitalization Corporation (NCRC) is to spur economic development throughout the District of Columbia and primarily in neighborhoods of need. Specifically, the NCRC retains and expands businesses located within the District; attracts new businesses; induces economic development and job creation by developing and updating a strategic economic development plan; provides incentives and assistance for new and existing businesses, helps remove slum and blight; and helps coordinate the District's efforts toward these ends.

**The FY 2002 proposed operating budget for NCRC is \$2,672,958.**

During deliberations on the FY 2002 Proposed Budget, the District Council's Committee on Economic Development recommended that the FY 2002 Budget Request Act include specific authorization for the expenditure of funds by the National Capital Revitalization Corporation.

## Budget Summary

The FY 2002 proposed operating budget for NCRC is \$2,672,958 and supports approximately 13 positions (table NC0-1). NCRC is funded by an FY 1999 Congressional appropriation of \$25 million. As NCRC initiates economic development projects, its source of funding will include Other (O-type) revenue generated by income from those projects.

## Strategic Issues

Strategic issues for FY 2002 include:

- Completing the transfer of the Redevelopment Land Agency (RLA) into NCRC. Among the issues that must be addressed is the need to develop professional property management that will improve the management of the RLA assets.
- Completing the transfer of the Economic Development Finance Corporation (EDFC) into NCRC. Among the key issues that must be addressed are coordinating the operations of the EDFC with the other missions of NCRC and ensuring that adequate resources are available to fulfill the EDFC's mission.

## Background

NCRC is an independent instrumentality of the District, created by the District of Columbia in 1998 (National Capital Revitalization Corporation Act of 1998, D.C. Law 12-144, referred to herein as the “NCRC Act” and codified at D.C. Code § 1-2295.13). In FY 1999, Congress provided \$25 million to capitalize the NCRC, to remain available until expended, for economic development planning, project development, capital investments, loans, grants, administrative expenses and other purposes (Public Law 105-277, the District of Columbia FY 1999 Appropriations Act). Using the \$25 million as “seed” money to establish operations, NCRC has been provided the authority to raise funds from other sources, including capital funds through the sale of bonds, contributions, and earned fees from financing and service programs.

## FY 2002 Initiatives and Program Overview

Being a new agency with a board of directors established in July 2000, the NCRC intends to be fully operational by the beginning of FY 2002. The initial staff will include approximately 13 members including, but not limited to, a chief executive officer, a chief financial officer, general counsel, three senior development directors, a property manager, a development manager and support staff.

During FY 2002, NCRC will be pursuing a number of long term goals that have been developed by NCRC for the period beginning January 18, 2001 and ending January 17, 2006. NCRC's Board of Directors adopted these goals on April 19, 2001. NCRC's major goals during this five-year period are discussed below. It is anticipated that NCRC will be working on these activities during FY 2002.

- Explore development opportunities and, where appropriate, undertake feasibility analyses, of five to seven real estate development projects which have a high probability of being able to be brought to fruition within 5 years, if demonstrated to be feasible. Projects in this category currently under consideration include: Skyland Shopping Center; economic development of areas surrounding relocated municipal

facilities and metro stops; Howard University Town Center; implementation of projects generated by the Office of Planning's Waterfront Planning Initiative, etc.

- Commence exploration, feasibility analyses and predevelopment work on five to seven major redevelopment projects critical to the overall economic health of the District, which will take more than five years to complete. Projects in this category include redevelopment of the Southwest Waterfront, St. Elizabeths Hospital site, South Capitol Gateway, NOMA, H Street Gateway, Georgia Avenue Gateway, Buzzard's Point redevelopment, Southeast Waterfront redevelopment, McMillan Reservoir redevelopment.
- NCRC's five-year plan is to have caused the implementation of the projects identified during its first year of operation as economically feasible. On each real estate development project, LSDBE goals and diversity in employment would have been accomplished. A minimum of 50 percent of the jobs created through these projects would have gone to D.C. residents.
- NCRC will operate an effective Business/Development Program, in coordination with identified public and private entities which will have significantly increased business and employment opportunities in the District for new and existing businesses and residents. At the beginning of each year, starting in year two, NCRC will establish specific goals for employment and business development, against which it will be measured.

## Funding Summary Other

The proposed FY 2002 budget is \$2,672,958.

Personal services funds total \$1,906,044 and non-personal services funds amount to \$766,914. The source of funding is the \$25 million appropriated by Congress in FY 1999. The budget supports approximately 13 full-time equivalents (FTEs).

Table NC0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

National Capital Revitalization Corporation

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	0	0	1,620	1,620
Fringe Benefits	0	0	286	286
<i>Subtotal Personal Services (PS)</i>	<i>0</i>	<i>0</i>	<i>1,906</i>	<i>1,906</i>
Supplies and Materials	0	0	7	7
Utilities	0	0	221	221
Other Services and Charges	0	0	538	538
Subsidies and Transfers	0	0	0	0
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>0</i>	<i>0</i>	<i>767</i>	<i>767</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>2,673</b>	<b>2,673</b>

## Agency Goals and Performance Measures

Section 14 of the NCRC Act requires the NCRC to develop an annual performance plan for the first five years of its operations beginning on the date NCRC's Board of Directors approved the Corporation's Revitalization Plan. NCRC is further required to prepare an annual assessment of its performance relative to the goals established in such a plan and to submit this assessment to the Council of the District of Columbia no later than April 15th of each year.

On January 18, 2001, NCRC's Board of Directors approved its Revitalization Plan, and on April 19, 2001, the Board of Directors approved a Performance Plan for NCRC. Under the NCRC Act, the first performance assessment is due to be submitted to the Council on or before April 15, 2002. That assessment will evaluate NCRC's performance for the period beginning on January 18, 2001 and ending on January 17, 2002. NCRC's performance goals during this period are as follows:

- Hire core skilled staff with expertise in real estate development and finance, along with

operational and administrative support staff as needed for effective operation such as Chief Financial Officer, General Counsel and administrative assistants and secretarial staff.

- Contract with outside entities for specialized services as appropriate such as business development and finance, asset and property management, communications, and the like.
- Fully launch the operations of NCRC: (1) complete the purchase, installation and operationalizing of equipment, furniture, etc.; (2) secure, through a competitive process, consultants and other professionals to support the work of the corporation, such as legal counsel, accountants, real estate advisory services, etc.; (3) finalize policies and procedures, such as ethics rules, procurement rules, employee handbooks and detailed criteria for assistance.
- Determine the optimal structure of NCRC, given its overall mission, i.e., whether to form a holding company with subsidiary corporations to manage large-scale development.
- Transfer the powers, duties and responsibilities of the RLA Board to the NCRC Board, as well as the assets, in an orderly manner which

will allow NCRC to effectively manage the assets and maximize income and potential return, given public purpose goals.

- Transfer the powers, duties, and responsibilities of the Board of Directors of the Economic Development Finance Corporation, along with its assets to the Board of Directors of NCRC.
- Expedite and assume development management responsibility for RLA parcels with active Exclusive Negotiating Rights Agreements and/or RFP's previously issued by RLA. Expedite the implementation of such projects.
- If requested by the District, assume development management responsibility for major City projects with high priority and visibility where NCRC's expertise will benefit the City, including the redevelopment of the former Convention Center site.
- Identify and complete feasibility studies of two to four projects that have a high probability of being able to be brought to fruition and/or to demonstrate significant progress within the first year. These would be projects, typically

brought to NCRC by outside entities which, although relatively limited in scope and complexity, if implemented would have a major impact on a neighborhood.

- Starting no later than July 2001, undertake a six-month effort to prepare a corporate business development plan for implementation by the end of the first year. The business plan will focus on NCRC strategies for financial self-sufficiency and maximizing leverage of its resources.
- Starting no later than July 2001, undertake a six month effort to develop a Business/Employment Development Program, in coordination with existing public and private resources, which will bring together those resources to focus on a few key employment sectors, to be determined through this effort.

At the end of the first performance period, NCRC intends to adopt specific performance goals for the second performance period, that is, the period beginning January 18, 2002 and ending on January 17, 2003.